

# **Role of the Commonwealth in Quality Oversight**

**Presentation to the Joint Commission on  
Health Care**

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**State Health Commissioner**

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# Outline of This Presentation

- n **Introduction**
- n **Stakeholder study group**
- n **Study methods**
- n **Principal findings**
- n **Policy options spectrum**
- n **Recommendations**

# Introduction

- n **Events leading up to study**
- n **Study mandate**

# **Events Leading Up to Study**

**n Joint Commission on Health Care report (1996)  
pursuant to SJR 67**

**n Bureau of Insurance/Virginia Department of Health  
Memorandum of Agreement**

**n House Bill 2785**

- Requires JCHC/VDH to examine the complaint systems**
- Requests VDH to receive and respond to quality of managed care complaints**
- Requires VDH to examine the quality of health care services in HMOs**

# Study Mandate

- n Assess the sufficiency of public and private quality of care mechanisms for managed care**
- n Identify the appropriate role of the Commonwealth in monitoring managed care quality**
- n Identify the appropriate role of the Commonwealth in providing consumer information on managed care**

# **HB 2785 Study Group**

- n Virginia Association of Health Maintenance Organizations**
- n Virginia Hospital and Healthcare Association**
- n Virginia Chamber of Commerce**
- n The Medical Society of Virginia**
- n Virginians for Patient Choice**
- n Virginia Department of Health**
- n Virginia Department of Health Professions**
- n State Corporation Commission Bureau of Insurance**
- n Virginia Department of Medical Assistance Services**

# Study Methods

- n **Examine managed care QA plans**
- n **Examine managed care grievance procedures**
- n **Examine reported complaints**
- n **Survey of Insurance Co. experience with Chapter 54**
- n **Interviews with Other States**
- n **Focused round tables**
- n **Consumer awareness survey**
- n **Review existing laws and regulations**
- n **Review private accreditation standards**

# **Principal Findings of the Study**

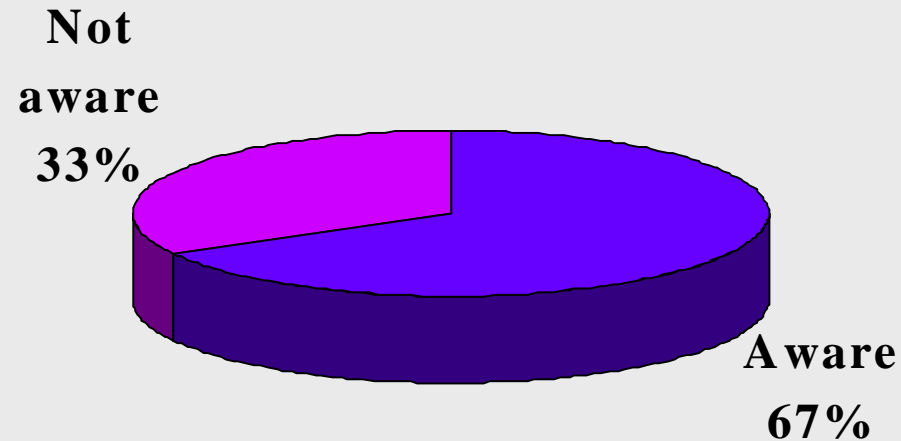
- n Federal oversight of selected plans complicates the regulatory picture**
- n Private sector accreditation contributes to quality**

# **Principal Findings (cont'd.)**

- n Consumers and providers need better information about quality protections already in place**

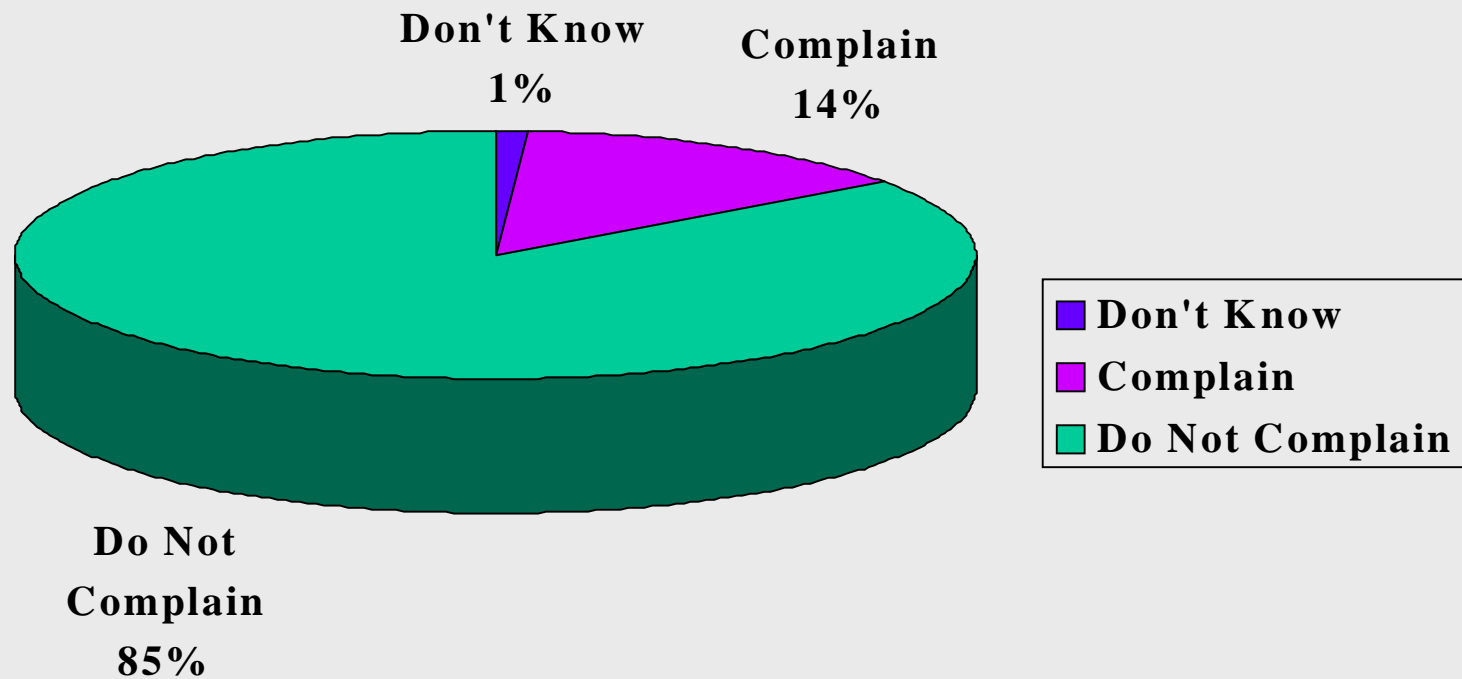
# Consumer Awareness Survey (N=1009)

## Insured Consumers Awareness of Complaint Systems



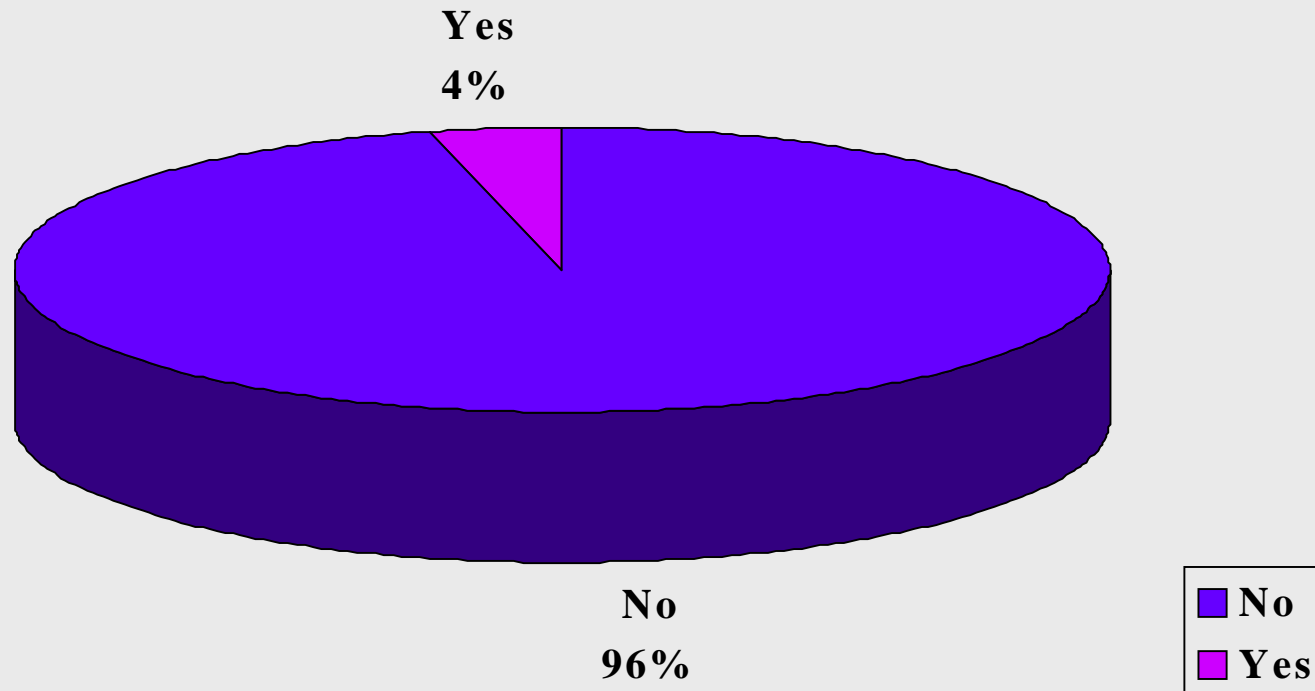
*Source: Southeastern Institute of Research*

# Consumers Who Make a Verbal Complaint



*Source: Southeastern Institute of Research*

# Written Grievance Experience (N = 1009)



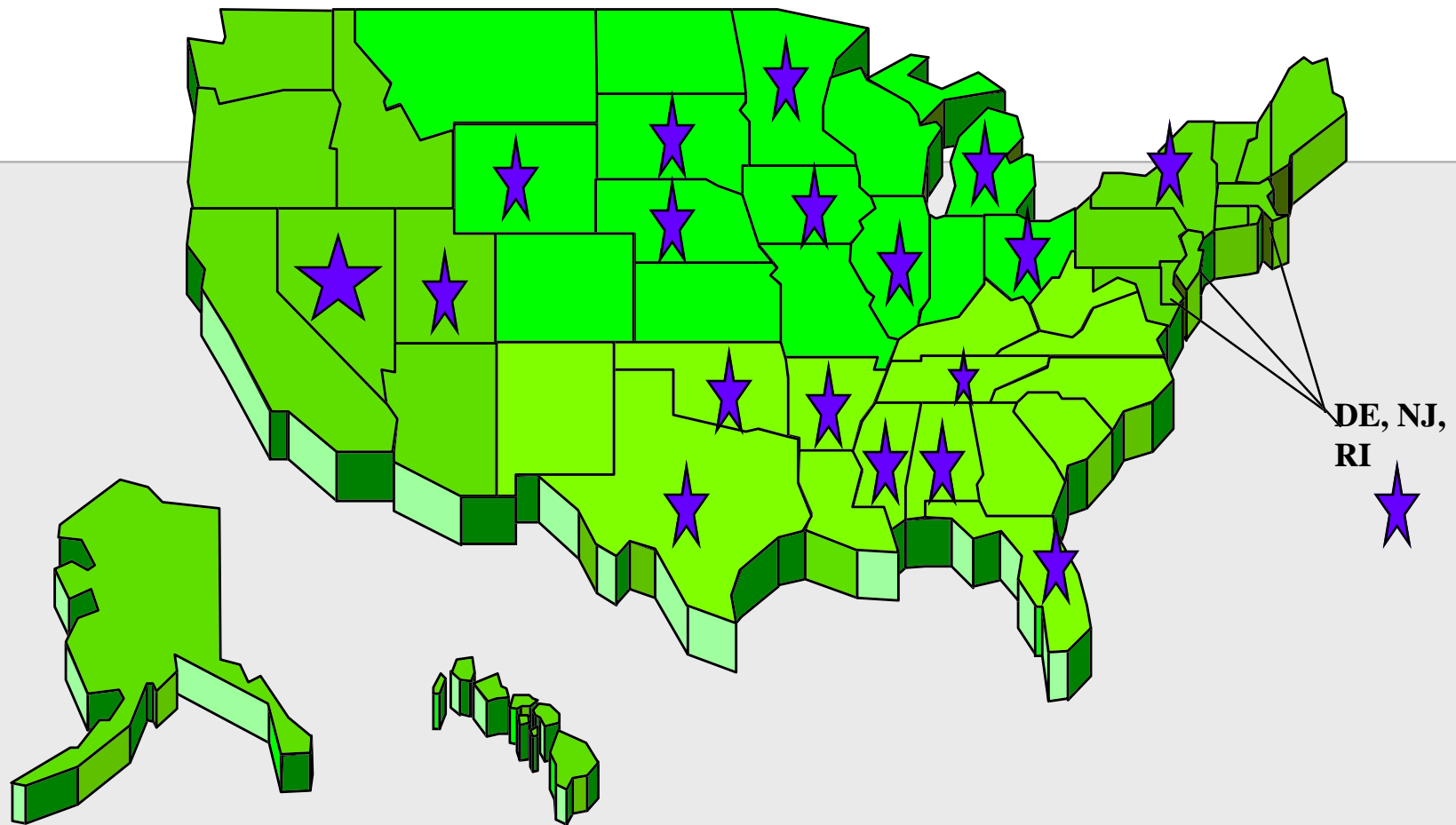
*Source: Southeastern Institute of Research*

# Principal Findings (cont'd.)

- n **Health Commissioner lacks regulatory guidance to carry out Code requirements related to quality oversight**
- n **Utilization review appeals protections in Chapter 54 of Title 38.2 are underutilized**
- n **Monitoring of enrollee complaints across the industry is hampered by lack of standard definitions**

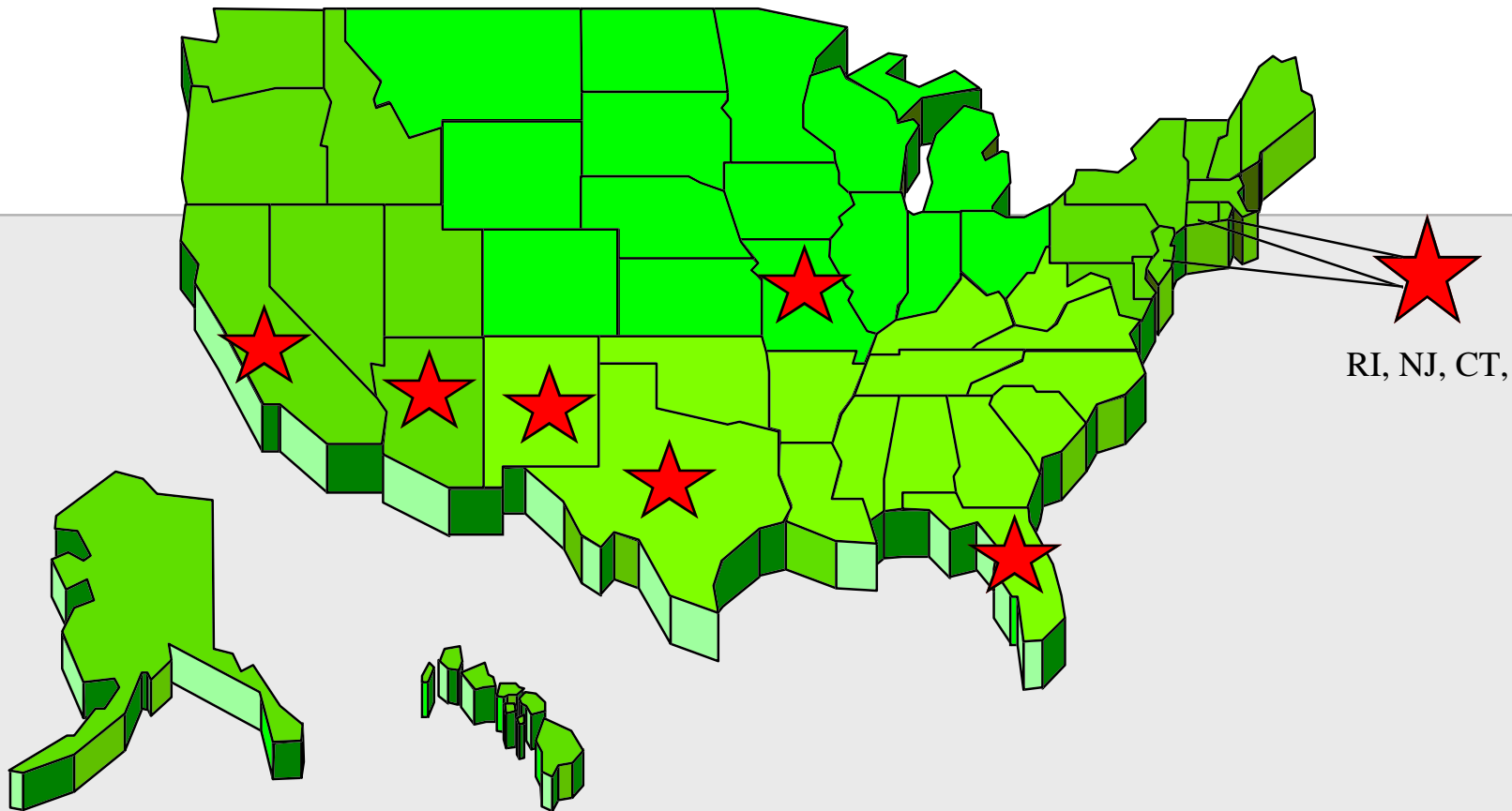
## Principal Findings (cont'd.)

- n Department Of Health enforces compliance with state quality standards in 21 states**
- n Department Of Health monitors UR in 18 states**



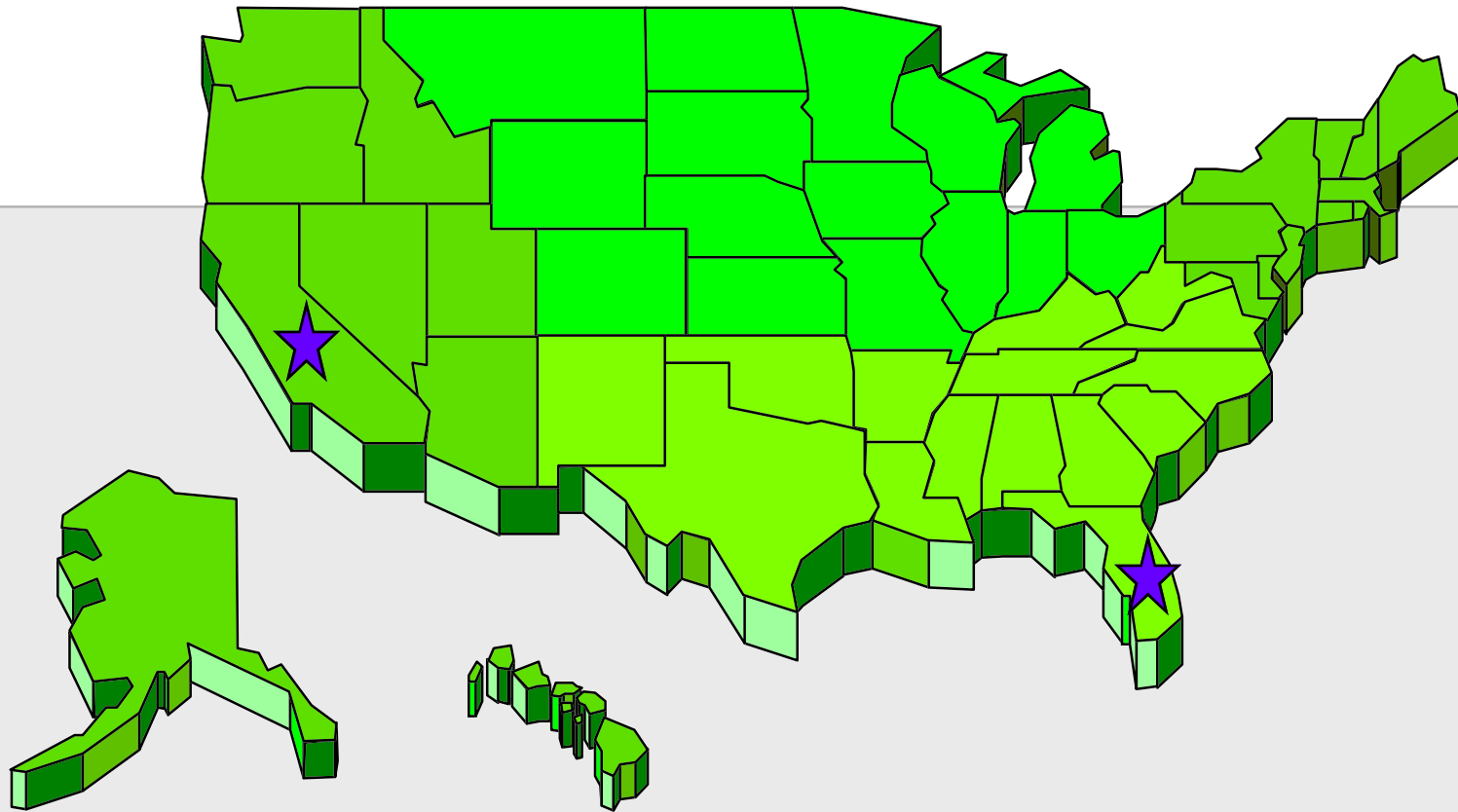
**States where the Dept. of Health monitors HMO or MCO compliance with the state's QA standards.**

***Source: National Academy for State Health Policy***



**States with external independent appeals processes**

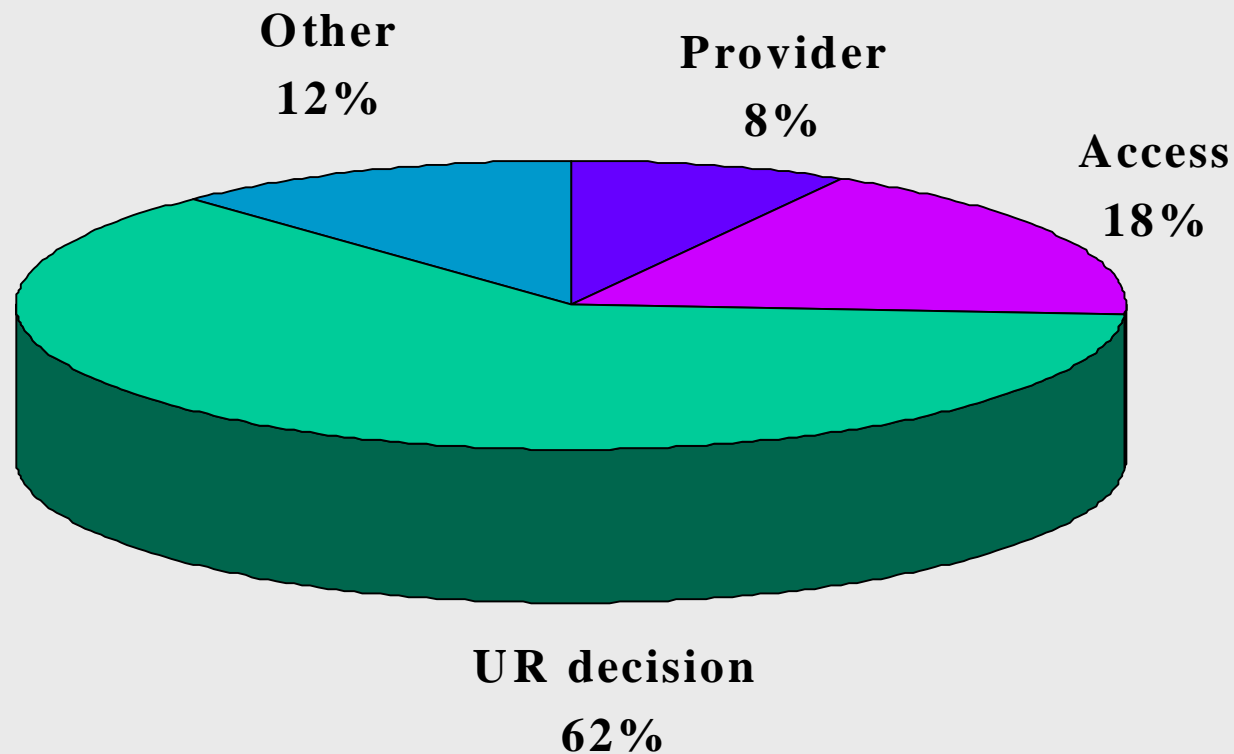
*Source: Families USA*



**States that have an ombudsman**


*Source: Families, USA*

# Complaints Received, by Type (N=84)



# REQUIREMENTS IMPOSED ON HMOs COMPARED TO OTHER MCOs

<b>Description of Statute/Regulation</b>	<b>Applies to HMOs Only</b>	<b>Applies to all MCOs</b>
<b>Review of the quality of organization by Health Commission</b>	<b>X</b>	
<b>Suspension or Revocation of license if unable to give quality health care or fails to implement a complaint system</b>	<b>X</b>	
<b>Requirement of QA Plan</b>	<b>X</b>	
<b>Requirement for Complaint System</b>	<b>X</b>	
<b>Standards of Access to Care</b>	<b>X</b>	
<b>Consumer Involvement Required</b>	<b>X</b>	



# **OPTIONS & RECOMMENDATIONS**

# Policy Options Spectrum



# Recommendations

- n Request authority for Board Of Health to promulgate regulations to establish a certification process for MCOs**
  - Rationale: VDH lacks authority to conduct examinations and enforce sanctions for non-compliance; no state standards for quality**

# **Recommendations (cont'd.)**

- n VDH to facilitate educational effort with private partners and enrollees**
  - Rationale: Preliminary review of complaints, consumer and provider focus groups, consumer awareness survey**

# **Recommendations (cont'd.)**

- n Transfer authority for Chapter 54 of Title 32.1 to VDH and authorize systems-level regulatory authority**
  - Rationale: VDH is most appropriate agency to oversee adequacy of medical necessity criteria**
- n Amend Chapter 54 to require disclosure of appeals process in Evidence Of Coverage and/or at the time of denial**
  - Rationale: Improve Consumer Awareness**

# **Recommendations (cont'd)**

- n VDH's health data contractor to develop health plan identifiers for hospital inpatient data**
  - Rationale: Improved ability to track health data**

# **Recommendations (cont'd.)**

- n Develop standard definitions & classification scheme for quality complaints**
  - Rationale: Necessary to monitor complaints, grievances, and appeals**
- n Require MCOs to report provider disciplinary actions to Dept. of Health Professions**
  - Rationale: Necessary to assure high quality practitioners and currently required by hospitals and VDH**

# **Recommendations (cont'd)**

- n Support conclusions of study pursuant to HJR 611**

- Rationale: Promote a level playing field**

- n Expand membership of State Board of Health**

- Rationale: Represent MCOs on the Board of Health**

# Recommendations (cont'd.)

- n ***Against* continuing or codifying the current MOA between VDH and SCC/BOI (at this time)**

- **Rationale: MOA cannot create authority for the VDH that does not already exist for SCC**

- n ***Against* establishment of an ombudsman**

- **Rationale:**

- n **Poses conflicts of interest**

- n **A study option proposes VDH to assume more educational duties**

- n **Costly**

# Recommendations (cont'd.)

- n ***Against* establishment of an independent & external appeals process**

- **Rationale:**

- n **Recommended Transfer of oversight of Chapter 54 to VDH**
    - n **Complicated by ERISA**
    - n **Monitor existing provision for independent impartial reviews of appeals**
    - n **Chapter 54 meets or exceeds private standards**

# Visit our Website!!!!

- n To view the final report and all its appendices, visit the VDH website at **[www.vdh.state.va.us](http://www.vdh.state.va.us)**
  - select Initiatives
  - select HB 2785
  - select link directly to HB 2785 Study